

SEP 9 1942

# The MORTGAGE BANKER

Vol. 4—No. 12

SEPTEMBER, 1942



*For the future of your own business  
this is the one mortgage event of  
1942 you cannot afford to miss . . .*

## MBA's CONFERENCE ON WARTIME MORTGAGE FINANCE AND 29th ANNUAL BUSINESS MEETING

EDGEWATER BEACH HOTEL • CHICAGO

SEPTEMBER 30-OCTOBER 2



YOU will hear significant messages from such distinguished speakers as Senator Harold H. Burton of Ohio, John B. Blandford, Jr., Administrator of the National Housing Agency, William Trufant Foster, noted economist, Earle S. Draper, Deputy FHA Commissioner, and MBA President Frederick P. Champ. You will hear present-day mortgage problems analyzed in Clinic style by some of the most experienced and successful men in the business. You will hear authoritative discussions of post-war problems in mortgage lending. Make your plans today to attend this one mortgage event of 1942 you cannot afford to miss.

### CONFERENCE SPEAKER

MBA members can look forward with a great deal of anticipation to the address of Sen. Harold H. Burton of Ohio on the last morning of the Conference. Members will recall that Sen. Burton opened our 1937 Cleveland Convention when he was mayor of that city. He has just returned from Alaska and the West Coast where he and other members of the senate have been inspecting defenses and investigating other matters pertaining to the war.



SEN. HAROLD H. BURTON

Sen. Burton's career has been an interesting one. Born in Massachusetts, he holds degrees from Bowdoin, Harvard and Oberlin. He began the practice of law in Cleveland in 1912 and was later attorney for utility companies in Utah. From 1917 to 1919 he was lieutenant and captain in the 361st Infantry, 91st Division, and served in the St. Mihiel, Meuse-Argonne and Ypres-Lys offensives.

Later he was instructor in corporation law at Western Reserve University Law School, chairman, research committee, Citizens Committee on Regional Government and member of the Board of Education of East Cleveland. In 1929 he was elected to the Ohio House of Representatives.

After holding many posts in Cleveland, he was elected mayor in 1935 and re-elected in 1937 and 1939. He became senator in 1941.

### TENTATIVE PROGRAM

#### Tuesday, September 29, 1942

10:00 A. M.—Final Meeting of the 1941-1942 Executive Committee..... Berwyn Room  
 2:00 P. M.—Final Meeting of the 1941-1942 Board of Governors..... Berwyn Room

#### Wednesday, September 30, 1942

8:30 A. M.—Convention Registration..... South End of Passaggio  
 10:00 A. M.—General Session..... Ballroom  
     Call to Order..... Frederick P. Champ  
     President, Mortgage Bankers Association of America  
     President, Utah Mortgage Loan Corp.  
 10:05 A. M.—Group Singing—"Star Spangled Banner"..... Assembly  
     Mrs. Frances Winton Champ at the piano  
 10:10 A. M.—Invocation  
 10:15 A. M.—Greetings from the City of Chicago.....  
     Hon. Edward J. Kelly  
     Mayor of the City of Chicago  
 10:20 A. M.—Greetings from the Chicago Mortgage Bankers Association..... L. A. Claranahan  
     President, Chicago Mortgage Bankers Association  
     Vice President, Oak Park Trust and Savings Bank  
 10:30 A. M.—Annual Presidential Address.....  
     Frederick P. Champ  
 11:00 A. M.—Address..... John B. Blandford, Jr.  
     Administrator of the National Housing Agency, Washington, D. C.  
 11:30 A. M.—Committee Reports  
 12:00 Noon—Adjourn  
 12:15 P. M.—Luncheon Meetings: Local Chapter Officers, Byron T. Shutz, Chairman, State and Local Associations Committee, presiding..... Sheridan Room  
     Legion of Mortgage Bankers, Stanley H. Trezevant, Grand Marshal, presiding..... Berwyn Room  
     Bankers Division, Roland A. Benge, vice president, The Detroit Bank, presiding..... East End of North Room  
     Farm Mortgage Division, S. M. Waters, Chairman, Farm Loan Committee, presiding..... South End of North Room

(Continued next page)

2:00 P. M.—Mortgage Clinic....W. A. Clarke, Moderator  
President, W. A. Clarke Mortgage Co.,  
Philadelphia

Some of the subjects to be discussed are  
war housing in all its ramifications, pro-  
cedure under the Soldiers' and Sailors'  
Civil Relief Act, the Lumber Freeze  
Order L-121, the Stop Order L-41, etc.  
(See Local Chapter News, August 15, for  
more complete list.)

**Wednesday Evening, September 30**

6:30 P. M.—Stag Dinner.....Ballroom  
Arthur C. Cody, Toastmaster  
Equitable Life Assurance Society of  
America, Chicago  
Address....."Battle of The Pacific"  
Stanley Johnson, Chicago Tribune For-  
eign Correspondent, the only news-  
paper man to witness sinking of the  
Lexington.

**Thursday, October 1, 1942  
(Ballroom)**

10:00 A. M.—Call to Order.....Frederick P. Champ  
10:05 A. M.—Mortgage Clinic....W. A. Clarke, Moderator  
12:00 Noon—Adjourn

2:00 P. M.—Reconvene. Some of the subjects to be dis-  
cussed are: prefabricated housing, slum  
elimination, rebuilding of our cities and  
post-war problems.

(See Local Chapter News, August 15, for  
more complete list.)

**Friday, October 2, 1942**

10:00 A. M.—Call to Order.....Frederick P. Champ  
10:05 A. M.—Address.....Hon. Harold H. Burton  
Senator from the State of Ohio

10:35 A. M.—Address.....Dr. William Trufant Foster  
President, Pollak Foundation for Economic  
Research, Newton, Massachusetts

11:05 A. M.—Annual Business Session

12:00 Noon—Adjourn

12:15 P. M.—Board of Governors Luncheon.....  
Sheridan Room  
First meeting of the 1942-43 Board of  
Governors

7:00 P. M.—Annual Banquet and Ball.....  
Marine Dining Room  
Toastmaster, James W. Collins, President  
Tracy Loan and Trust Company,  
Salt Lake City, Utah  
Music and entertainment.

**CONFERENCE SPEAKER**

Re-planning of American cities, post-  
war construction, slum elimination and  
the problem of blighted urban areas will  
be the general theme of discussion to be  
led by Earle S. Draper at the Clinics  
which will occupy the first afternoon  
and all of the second day at the Confer-  
ence. Mr. Draper is a nationally recog-  
nized authority on planning problems.  
MBA members will recall his participa-  
tion in the program at the New York  
Convention last year when he con-  
tributed so substantially to assisting mort-  
gage men in making future plans.



**EARLE S. DRAPER**

He was recently appointed Deputy  
FHA Commissioner by Commissioner  
Abner H. Ferguson. In his new position,  
directives, rules, regulations and  
other procedure will be submitted to him  
for their effect on war housing before  
action is taken. Mr. Draper's appoint-  
ment was made under an order issued  
August 5th which abolished the title of  
deputy commissioner as it had been con-  
stituted and each deputy commissioner  
then acting as such was made a zone  
commissioner. The new Deputy Commis-  
sioner's office was then created to func-  
tion under the immediate supervision of  
the Commissioner and Mr. Draper named  
to the post.

## Present Farm Situation to Be Discussed at Luncheon Planned for MBA Farm Lenders

In addition to the special luncheon meetings planned for the opening Conference day by the State and Local Associations Committee, the Bankers Division and the Legion of Mortgage Bankers, a fourth has been added for members of MBA's Farm Mortgage Division. S. M. Waters, Minneapolis, past president of MBA and chairman of the Farm Loan Committee, will preside.

This meeting will no doubt have double importance this year because of the many developments now going on of special interest for farm mortgage lenders. The recent abandonment of the Fulmer bill and the possibility of other similar legislation being proposed will no doubt be a prominent subject for discussion. General topics having to do with farmers' participation in the war effort, pro-and-con discussion on parity prices and present farm income and the tendency toward inflation in farm land values will all come up for review.

Mr. Waters and Secretary George H. Patterson will attend the meeting in Chicago September 14 called by Gov. A. G. Black of the FCA when his group will again review farm lending matters and particularly the situation relative to inflation in farm land values. This group, members will recall, was organized more than a year ago and comprises representatives of MBA, ABA and other banking groups, all leading farm organizations, institutional investors, government agencies and many other organizations interested in farm lending.

Probably the most important matter up for discussion will be MBA's own plan for mutual mortgage insurance of farm loans. While members are familiar with it in a general way, the theory and thinking behind it has been just re-stated by President Frederick P. Champ in a statement to the press. In his announcement he said in part:

"The Association's studies have convinced us that seven distinct objectives must be sought in modernizing the present Land Bank system or creating a new one to supplant it:

"It must be able to serve all legitimate farm mortgage needs which the federal agencies cannot do now; it must offer, as far as prac-

### CLINIC MODERATOR



W. A. CLARKE

Mr. Clarke, president, W. A. Clarke Mortgage Co., Philadelphia, who has acted as moderator at MBA's Clinics almost since they were started, will again be in his accustomed place on the rostrum at the Conference this year. The Clinics open Wednesday afternoon and continue through all of Thursday.

ticable, uniform costs to borrowers; the forms and terms of farm loans should meet the wishes and needs of borrowers rather than be governed entirely by the supply of farm mortgage money; it should serve individual private investors as well as institutional investors; it should include adequate machinery to meet emergency periods of low farm production and low farm prices; without using credit compulsion in the production program or otherwise socialize the land, it should be in harmony with the generally-accepted long-range policies of the Department of Agriculture; and it should be free from political dominance and any pressure to divert its purposes into purely social channels.

"Our proposal may recommend a new federal agency to handle the insuring of farm loans as the Federal Housing Administration insures city residence loans or it may be possible to handle it through an existing agency. No federal money would be required. The government will continue to retain all necessary control over rates, charges and commis-

### PROMPT RESERVATIONS FOR CHICAGO CONFERENCE URGED

As this issue of *The Mortgage Banker* goes to press in early September, we cannot say with assurance that our Conference on Wartime Mortgage Finance and 29th annual Business Meeting in Chicago September 30 to October 2 will be the largest annual gathering we have sponsored for the nation's mortgage lenders but we are convinced it will prove to be one of the most important—if not the most important.

As we previously promised would be done, the entire program is being arranged to give you the most of practical value, the most of those things which will be of definite value to you in conducting your business during the critical war period. The appearance of Sen. Harold H. Burton of Ohio, John B. Blandford, Jr., Administrator of the National Housing Agency, Earle S. Draper, Deputy FHA Commissioner, William Trufant Foster, noted economist, MBA President Frederick P. Champ and others indicates that we are bringing to the Conference men high in national estimation.

Advance reservations at the Edgewater Beach Hotel on September 1 were the heaviest noted in recent years for a month in advance of the opening session. For choice accommodations we continue to advise prompt reservations—and, most important, make your rail reservations at least a week in advance.

As previously announced, registration fees are the same as in past years, \$10 for men and \$3 for ladies, both entitling them to admittance to all sessions and a ticket to the annual banquet and ball.

sions paid. It will mean, in our opinion, uniformity in farm mortgage lending for the first time in history and give farm loans something they have never had before—liquidity and marketability. It will mean standardization of appraisals, mortgage documents and titles and do for the farm loan what the FHA system did for the city home loan.

"Admittedly this is no time for creating new federal agencies unless they contribute directly toward winning the war but we are convinced that a system of mutual mortgage insurance for farm loans will relieve the federal treasury of a substantial part of the heavy burden it is now carrying in farm mortgage credit. That alone would be a valuable wartime contribution.

"Previous estimates of our Committee indicated that possibly as much as a billion and a quarter dollars of farm mortgages could be transferred from federal credit agencies to private hands under such a system."

# Association ACTIVITIES

★ NEWS OF WHAT'S HAPPENING  
AMONG MBA MEMBERS AND  
OUR LOCAL ASSOCIATIONS

## Agreement on Rates, Charges and Methods of Lending Adopted by Philadelphia MBA

A significant development among MBA chapters in an otherwise quiet summer period is the agreement just concluded by 22 members of the Philadelphia MBA at a meeting in the Union League Club and which embraces a wide range of operations of these firms. The agreement, announced by Myer Feinstein, Chapter president, is backed by all twenty-two and has been under discussion at informal meetings this summer. Too long for complete presentation here, we are highlighting some of the more important features:

### 1. Charges to be made for minor services performed with each mortgage settlement:

**CONVEYANCING:** Minimum charge of \$10 for preparation of mortgage if done by mortgagor or his attorney. **APPRAISAL:** A \$5 minimum fee for city and suburban if application is accepted, to be collected at settlement. **PHOTOGRAPHS:** Minimum charge of \$2, collected at settlement. **CREDIT REPORTS:** Minimum charge of \$1. **COST OF ASSIGNING MORTGAGE:** Mortgagor pays all recording fees and stamps at cost. **SURVEY:** When required, mortgagees are not to pay costs of surveys. **INSURANCE AGAINST ZONING VIOLATIONS:** If required, mortgagor pays title company's charge. **FIRE INSURANCE:** All insurance paid for by mortgagor, owner or builder. **TITLE CHARGES:** When loan is made to home owner, all title charges paid by mortgagor. **FHA APPRAISAL FEES:** Mortgagor bears costs.

Charges for conveyancing, appraisal, photographs and credit reports may be eliminated, provided mortgagee's settlement charge is not less than \$18.

### 2. Filing FHA Commitments:

Title companies and savings-and-loans have been asked to discontinue filing applications for FHA firm commitments unless it is intention of applicant to take up, with his own funds, the individual permanent mortgages at the time the houses are sold. Chapter considers system a bad one and asks members to stop it.

### 3. Maximum premiums:

**TITLE II MORTGAGES:** Mortgagees may pay builder or real estate broker maximum of  $1\frac{1}{2}$  per cent for loans secured by houses over a year old and 2 per cent for loans secured by dwellings less than a year. **CONVENTIONAL MORTGAGES:** Regardless of amount of loan, maximum pre-

mium for loans with  $4\frac{1}{2}$  per cent rate is the same as that set for Title II FHA's. If interest rate is over  $4\frac{1}{2}$  per cent, mortgagee may pay whatever premium he likes. **TITLE VI MORTGAGES:** Mortgagees may pay builders or brokers maximum of 1 per cent premium if construction loan is not involved. If construction loan has been made, total that may be paid broker or builder is actual title charges for lien and completion insurance but payment for these insurances must not be over 1 per cent. **FHA'S UNDER \$2,500 IN AMOUNT:** Maximum premium paid broker or builder for any FHA from \$2,000 to \$2,500 shall be a half of 1 per cent. No premium for any FHA under \$2,000. Doesn't apply to conventional loans. **OWNERS:** No premiums or rebates of any kind to owners. **MORTGAGOR'S DRAFT STATUS:** Experience shows that mortgage loans made to owners or purchasers of property, who are subject to draft call, have doubtful secondary market. To protect originating mortgagee, no premiums are to be paid brokers or builders for loans to borrowers with 1-A classification or to borrowers under 45 years old, married, but no children. (Permanent disability cases excepted.)

### 4. Raiding:

It is unethical to entertain an FHA or conventional application to be secured by real estate presently encumbered by loan held by a member of Philadelphia MBA who has agreed to practices of this agreement if present mortgagee is willing to meet terms offered by other member. When such applications are received, member must get name of present mortgagee, report circumstances and state his position.

### 5. Prepayment Privileges:

Conventional loans secured by individual dwelling property shall not have prepayment privileges in excess of 20 per cent in any one year or privilege of paying loan off in full in less than five years.

Any participant to the agreement may withdraw from it by filing his intention 30 days in advance. Special cases will arise in which event the Chapter President appoints a committee of three (he will be one member) to review the circumstances. Their decision is final. Violations of the code will be submitted to Ethics Committee for action.

The above review is greatly condensed. To fully understand its exact provisions, local MBA chapter officials are invited to write us for copy of complete text.

## MINNEAPOLIS MBA OPPOSES HOUSE CONDEMNATION BILL

Minneapolis MBA has joined other organizations over the country who are active in opposing H. R. 7274 known as the Condemnation bill. This measure provides new methods in condemnation proceedings which mortgage and real estate men feel would be inequitable for institutions with investments in real estate. Since they are not or cannot be in physical possession of the properties, they might never receive notice and yet be deprived of all interest in their holdings without compensation of any kind because of this measure. (See MBA's Legislative Service No. 126, August 21, 1942, for complete text of bill.)

The Minneapolis resolution adopted at their recent meeting urges all members to oppose passage of the bill, because it gives no protection to mortgagees, lien holders, and absentee owners. It said:

"The bill contravenes all laws regulating the ownership of real estate or interest therein. That the notice provided for in said bill is inadequate in that no attempt whatsoever is made to serve anybody other than the person in actual possession before the distribution of the moneys. That present existing legislation allows the government to obtain possession of real estate in the same length of time as provided by the proposed bill. That no acceleration of possession of property by the Armed Forces of the United States would result from a passage of such bill. That the rights disturbed by the passage of this bill are the rights upon which this country was founded, and the disturbance of such rights would fundamentally destroy vested interests in real estate without due process of law."

Detroit MBA members have thoroughly investigated the subject of war damage insurance and concluded that it should be required wherever provision exists in the mortgage and requested of the mortgagor wherever there is no such provision, according to a report in *Real Estate and Building*. The Chapter has added four new members, according to Edward A. Proctor, secretary and treasurer. They are: Abraham Cooper, president, Fort Wayne Mortgage Co.; S. C. Turner, Northwestern Mutual Life Insurance Co.; Lee Walters, Majestic Mortgage Co., and Lorenz Vasbinder.

## MBA Members in the War

IN the last issue of *The Mortgage Banker* we published nearly three pages of names of those who have entered the armed forces from MBA member firms or have become engaged in other wartime activities. Here we continue this round-up of what those in our member companies are doing to speed the day of victory. These are names not previously reported.

So far, our census indicates that the Chicago Title & Trust Company has sent more men into the armed services than any other member company—119 as of three weeks ago. The list is a little too long for our limited space but here are the fourteen men from this Company known to be serving abroad: Australia: Walter Fiedler, LeRoy Noakes, Edward Saad and Otto Zack. New Caledonia: Robert Manning, Kenneth Pearson and Leonard Vavra. Canal Zone: Herschel Evans. Hawaii: Robert E. Organ. At Sea: Alfred Horve and Robert McGuire. Unknown: Wells Miller, James W. Shebs and Mario Tesauro.

The Chicago Title & Trust Company is publishing semi-monthly a four-page bulletin (size of *Local Chapter News*) called *Victory Topics*, devoted to news about their men in the service. It is printed on good paper, well-edited with lots of good pictures and letters from men in the service—all in all, an excellent morale builder. P. P. Pullen, new business officer, is responsible for the publication which is sent to all men in the service, their next of kin in this country and the Company's 1,300 employees here.

THE COSTELLO COMPANY, Sioux Falls, South Dakota—Lt. John M. Costello, Quartermaster Corps, Second Battalion, 55 Quartermaster Regiment, Ft. Lewis, Washington.

THE LORAIN STREET BANK, Cleveland—Raymond F. Belle, Glendon Juergens and John F. McGraw, Army. W. C. Markworth is a deputy air raid warden at Avon Lake, Ohio.

SCOTT MORTGAGE COMPANY, Pittsburgh—Lt. H. T. Bennett, Air Corps, and Corp. Fred L. Aiken, 3rd, Quartermaster Corps. Fred L. Aiken is on the city's Civilian Defense Council and John H. Scott is civilian officer, procurement division.

ATLANTIC LIFE INSURANCE COMPANY, Richmond—Allan J. Carter, John W. Tomlin, Jr., and Oscar B. Eddleton, Army; T. Alston Davis, Navy.

CALDWELL MORTGAGE AND TITLE ABSTRACT COMPANY, Caldwell, N. J.—John S. Throckmorton is active in the aircraft warning service and disaster preparedness work and is serving on the Relief Committee of the Red Cross of Western Essex.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY, Ft. Wayne, Ind.—Lt. Wm. B. F. Hall, Naval Air Service; Pvt. James L. Nye, Coast Guard.

PASSAIC NATIONAL BANK AND TRUST COMPANY, Passaic, N. J.—David Cooper, Robert Hosley, Edward Roper, Robert Johnson, Edward Aussicker, Robert Mabey and Joseph Sears, Army; Harold Greene and Bryce Barclay, Navy. Wartime activities of others: Air raid wardens, C. R. Griffen, M. H. Scheel, H. D. Wright, P. Sharpe, E. B. Achutt, Lou Grownay, Emil Menzel and S. E. Lindstauer. Auxiliary Police: S. Ashdown, U. Fairbanks and L. Smith. Auxiliary fireman: L. Hamilton. George Young, Jr., president, and J. F. Rean are

working for the Red Cross and Cowles Andrus is chairman of the banking and finance and payroll allotment committees of the city's War Savings Committee.

### LT. PAUL VON KUSTER, JR.

With sorrow we announce the first casualty to be reported in our coverage of MBA in the War with the death of Lt. Paul von Kuster, Jr., 23, son of Paul von Kuster, president, David C. Bell Investment Company, Minneapolis. Lt. von Kuster was killed in an airplane accident in North Africa. The Minneapolis MBA passed a resolution extending to his father the condolences of its members. Lt. von Kuster was known to many MBA members and to his father and family go our deepest sympathy in his great loss.

In the office of MBA President Frederick P. Champ, Logan, Utah, a wide range of wartime activities has been undertaken by officers of the Company. For example—Mr. Champ: chairman, military affairs committee, Chamber of Commerce; member, military projects committee, Associated Civic Clubs of Northern Utah; sponsor and member of the state committee for Russian War Relief; cooperated with Priorities Field Service, office of Production Management and the Division of Contract Distribution, OPM and WPB. He was organizer and original vice chairman of the State Council of Defense and is president of the Cache Valley Council of Boy Scouts embracing Northeast Utah, Southeast

Idaho and Southwest Wyoming with about 2,600 scouts and 600 adult scouter. This group has done a creditable wartime job of selling war bonds and stamps and collecting aluminum and other salvage.

Activities of others in the firm include: Willard Paulsen, sponsor, Russian war relief; member, Chamber of Commerce committee on war projects, and active in Red Cross, USO and war bond drives. C. O. Dunn, member tire rationing board, USO and Red Cross. F. D. Richards, Red Cross. Harrison Davis, Red Cross. Home Guard. Leo C. Neilson, member, Committee of Transportation for conservation of rubber. R. S. McQuarrie, Red Cross. O. A. Garff, Boy Scout council. J. H. Stewart, Red Cross, USO and Russian War Relief. Eva D. Snow, Red Cross. Ongida Anderson, assisted in selective service registration and sugar rationing. Lucille Hillyard, Red Cross and war bond drive.

H. DUFF VILM MORTGAGE CO., Indianapolis—Robert L. Worrall, radio, Scott Field, Ill.; Harry Conrad, M. P., Ft. Benjamin Harrison, Ind.; Harry K. Keller and Walter B. Fries, Army; Lt. Paul I. Cripe, Intelligence Division, Army Air Corps; William Griffiths, 93rd Technical School Squadron, Scott Field, Ill. James E. Dankert of this firm is in engineering at Ft. Benjamin Harrison.

E. D. Schumacher of United Service & Research, Inc., Memphis, is working with the Civilian Defense Control Center in his city and E. P. Schumacher is an air raid warden. J. B. Simmons is a member of the Headquarters Staff of Civilian Defense for Memphis and Shelby county. Two men are expected to be called to the colors soon, one from the Memphis office and the other from Detroit where he is manager of this branch.

DADE COMMONWEALTH TITLE COMPANY, Miami—Pvt. Vernon Shave and Pvt. C. E. James, both Army Air Corps; Lt. W. J. McLeod, Jr., Navy; and Joseph Hourihan, first class seaman, Navy. J. Dideren has gone to the engineering contracts department of the war department; Helen Brady to FBI, Dorothy Hampton and Lucy Rogers, census bureau, war department; and George Adams, Pan-American Airways.

W. A. CLARKE MORTGAGE CO., Philadelphia—George H. Luck, Army, Quartermaster Division; Ensign J. Harris Latimer, Navy.

FIRST MORTGAGE CORPORATION, Richmond, Va.—Harry Shutter and Benjamin Harrison, Army; Irving Arnall, Navy; Tristram H. Hyde, III, Army Air Force; Frank B. Austin, Marines, and Guy H. Cherry, C. A. A.

Ten have gone into the armed forces from the Union Title Guaranty Company of Pittsburgh, reports J. H. Kunkle, president. They are Jay H. Frye, in India; William R. Geiger, in Nashville; Earl H. Clemence, in Dothan, Ala.; and Edward S. Jones, in Nebraska, all in Army Air Corps. Eugene R. Casey is with the Marines abroad and Robert G. Kornecke is with the Merchant Marine. In the Army are John R. Livengood in South Carolina, George R. Newhouse in Arkansas and James A. Santone in Maryland. William R. Groomes is with the Coast Guard abroad.

Dayton T. Nystrom, son of Henry Nystrom, vice president, M. R. Waters & Sons, Inc., Minneapolis, is a private in the engineer regiment recently sent from Camp Clayborne to a temporary camp on the east coast, possibly a point of embarkation for a foreign front.

# The MORTGAGE BANKER

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**MORTGAGE BANKERS  
ASSOCIATION OF AMERICA**  
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FREDERICK P. CHAMP.....President  
CHARLES A. MULLENIX.....Vice President  
GEORGE H. PATTERSON.....Secretary-Treasurer

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SEPTEMBER, 1942

## MBA IN THE WAR

(Continued from page 6)

O. P. Scheller, assistant secretary, Connecticut General Life Insurance Company, Hartford, has been commissioned a first lieutenant in the Army Air Corps.

PERCY WILSON MORTGAGE & FINANCE CORPORATION, Chicago—Capt. J. Kenneth Fogle, Army Air Corps, overseas; Lt. Joseph Kousser, Camp Grant, Rockford, Ill.; Lt. Wm. F. Dorsey, Ft. Benning, Ga.; Midshipman Richard E. Delaney, Naval Air Force, Corpus Christi, Tex.; Air Cadet H. H. Robinson, Jr., El Centro, Calif.; Air Cadet James R. Watzke, Santa Anna, Calif.; Air Cadet Chas. Meyers, Santa Anna, Calif.; Air Cadet Jas. B. Charlton, Montgomery, Ala.; Air Cadet Robert Foliard, Texas; Corp. Chas. C. Barrett, Officers Training School, Camp Lee, Va.; Pvt. Everett J. Graham, Overseas; Pvt. Jos. E. Chapp, Overseas; Pvt. Geo. N. Apostolos, Ft. Sheridan, Ill.; Pvt. Greg. Minogue, Camp Grant, Rockford, Ill., and Pvt. R. Rich, Jefferson Barracks, Mo.

ABSTRACT TITLE & MORTGAGE CORPORATION, Buffalo—Buffalo office: Burrows H. Gilbert, Coast Guard, Buffalo, and Herbert H. Hoffman, 97th Technical School Squad Special, A.A.F.R.T.C., Miami, Beach. Rochester office: Richard Taylor, 209th Coast Artillery, c/o Army P. O., New York City; Robert Gorman, Headquarters Company, 9th Armored Division, Ft. Riley, Kan.; Sgt. Irving Gaskin, 302 Ordnance Regiment Headquarters, A.P.G. Training Team, Camp Sutton, Monroe, N. C.; James Monroe, Aviation Cadet, Squadron G, Group B, Maxwell Field, Ala., and Edwin Gaskin, Ft. Niagara, N. Y. Lockport office: Corp. William J. Homaster, Company G, 108th Infantry, 27th Division, c/o Postmaster, San Francisco, Calif.

Maj. Clifford A. McElvain, formerly assistant manager of the Chicago real estate department of The Western and Southern Life Insurance Company, has been commissioned a lieutenant colonel in the Army Air Force, according to the *Chicago Daily News*.

THE WHEELER KELLY HAGNY TRUST COMPANY, Wichita—Lt. Otto Culbert, Quartermaster Corps; Pvt. Ralph V. Cravens, Field Artillery; Pvt. Richard S. Nichols, Signal Battalion, Marine Corps; Corp. R. H. Looman, Medical Training Service; Lt. Earl D. Oakes, U. S. S. A.; Pvt.

## Dean R. Hill Announces Complete Slate of New Officers and Governors for New Term

Headed by MBA Vice President Charles A. Mullenix, Cleveland, as the nominee for president for the 1942-43 term, the official slate of new MBA officers and governors to be voted on at the 29th annual business meeting October 2 is announced by Dean R. Hill, Buffalo, chairman of the nominating committee.

Herold G. Woodruff, Detroit, is the nominee for vice president and G. H. Galbreath, Tulsa, has been nominated for re-election as a member of the board for a term expiring in 1946. The six other members nominated for similar terms include L. E. Mahan, St. Louis; Stanley H. Trezevant, Memphis; George

H. Dovenmuehle, Chicago; Frank C. Waples, Cedar Rapids, Iowa; John Scott, Pittsburgh, and W. A. Clarke, Philadelphia.

Wallace Moir, Los Angeles, and Aksel Nielsen, Denver, have been renominated for regional vice presidents, Mr. Moir for the Pacific Coast states and Mr. Nielsen for the Mountain states. V. C. Feemster, Wichita, has been nominated for a similar post for the Southwestern states, Norman R. Lloyd, Cleveland, for the North Central states, W. A. Curtin, Hartford, for the Eastern states, and O. G. Gresham, Birmingham, for the Southern states.



CHARLES A. MULLENIX



HEROLD G. WOODRUFF

Chas. N. Stillwell, Reception Center; Pvt. Sam W. Waugh, V.O.C.; 59th Training Battalion; Pvt. Geral M. Wait, Aviation Radio School, Marine Corps; Capt. Winston Wheeler, Materiel Division, Army Air Corps.

Luther M. Miller, vice president, Albright Title & Trust Company, Newkirk, Oklahoma, and formerly president of the Oklahoma MBA, has resigned and has been commissioned a Captain in the Air Force.

AMERICAN FIRST TRUST COMPANY, Oklahoma City: Brigadier General Raymond S. McLain, U. S. Army 0-157-502, Headquarters 45th Division Artillery, A. P. O. 45, c/o Postmaster, New York; Capt. Raymond S. McLain, Jr., Army, same address as Mr. McLain, Sr.; Ensign Chas. Wm. Gill,

Naval Air Station, Barbers Point, Oahu, T. H.; Lt. Wm. C. Hunter, Jr., A. A. F., 358 Bomb Squadron, A. A. B., Alamogordo, New Mex.; Pvt. H. J. Rhodes, Jr., 401st School Squadron, Army Air Corps, Barracks 309, Shepherds Fields, Tex., and Staff Sergeant Robert C. Gifford, Signal Corps Detachment, "somewhere in Australia."

THORPE BROS., INC., Minneapolis: Lt. James A. Thorpe, Army Air Corps.

Stephen G. Cohn, Dovenmuehle, Inc., Chicago, is serving as a speaker for the War Savings Staff of the Treasury Department. He has been very active in this work and speaks regularly before workers in steel mills, armament plants and hotels and makes radio addresses.

## FHA Committee's Study Further Clarifies Problem of Borrowers Entering Service

A war-time problem for FHA mortgagees, who have not been entirely clear as to just what evidence is necessary in granting postponement of principal payments on FHA loans when the borrower enters military service, has been further clarified through the efforts of MBA's FHA Committee headed by George H. Dovenmuehle, Chicago. Mr. Dovenmuehle had originally inquired of B. C. Bovard, FHA General Counsel, if a certificate from the man's commanding officer or draft board was necessary to show he is in the service. He expressed the view that since postponement of payments is terminated three months after the man leaves the service, it might be difficult to determine this date unless the war department would be willing to answer inquiries on this matter at periodic intervals.

Mr. Bovard advised that "no particular form of evidence is required by FHA" but that approved mortgagees "will require such evidence as under the circumstances will furnish reasonable assurance that the mortgagor is a person in military service." He does not recommend securing an affidavit from commanding officers or draft boards and added that "an affidavit from the mortgagor, his wife or from anyone in a position to know the facts would seem to be sufficient and much easier to obtain." He does not anticipate any difficulty in obtaining evidence that a borrower has ceased to be in the service. "The establishment of the

exact date of the termination of military service would seem to have very little effect upon the rights of the mortgagee under the contract of insurance," Bovard said. "It is true that if a mortgagor failed to resume principal payments within three months after such termination, in accordance with his agreement the mortgage would be in default. Mere failure to notify the Commissioner of such default within 60 days would not under such circumstances adversely affect the rights of the mortgagee.

The mortgagee is not required to commence foreclosure until the aggregate amount of the default equals 12 full monthly payments. The percentage of the total normal monthly payment which represents amortization of principal varies somewhat with the amount of taxes, hazard insurance premiums, age of loan, and term and rate of interest, but in most of the loans now on our books is relatively small. If the mortgagor kept up on his payments with the exception of the portion representing principal, and such portion amounted to only one quarter of the entire payment due (which seems to be typical), it would take about four years before the delinquency would amount to 12 full monthly payments."

Mr. Dovenmuehle believes that the exact language of the opinion may not entirely satisfy all mortgagees but that it appears to offer a working basis for them to follow at this time.

## Chicago MBA Meet to Explore Rent Control, Soldiers Act and Trends in Real Estate

Chicago MBA has planned an interesting general meeting for the 15th of this month at which three of the most important topics in mortgage lending today will be taken up in Clinic style.

Under rent control, the Chapter proposes the question: How is the rent control office going to make it possible for a mortgagor to continue his mortgage payments in the face of rising costs of operation? John McCarthy, head of the legal

department of the OPA Rent Control office in Chicago, will give the answer.

On the Soldiers' and Sailors' Civil Relief Act, Albert E. Jenner, Jr., of a large Chicago law firm, will speak on its effect insofar as mortgagors and mortgage debtors are concerned.

James C. Downs, Jr., president, Real Estate Research Corp., will speak on the trend of current real estate values as they are affected by lack of construction,

vacant stores, shifting of war workers and rent control. Harold F. Yegge, chairman of the program committee, will act as Moderator for the session.

The Chapter has just published its regular analysis of interest rates on recorded mortgages in Cook County during the first half of this year and the trend shows practically no changes when compared with the same period a year ago. Thirty-three per cent of the loans analyzed—ranging from \$3,000 upward—carried FHA insurance, 19 per cent were made at 5 per cent interest and 13 per cent carried a 4½ per cent rate without FHA insurance. Recordings showed a decline of 17 per cent.

### WHAT IDEAS HAVE YOU FOR SUBJECTS OF RESOLUTIONS?

MBA members are asked by L. A. McLean, chairman of the Resolutions Committee, to advise him as soon as possible of any thoughts they have that should be incorporated in resolutions for submission at the annual business meeting October 2. Mr. McLean is president of the Southern Trust Company in Louisville and members are urged to direct their views to him there or at the headquarters office so that he can, in cooperation with the members themselves, prepare suitable resolutions for action in October.

Among the developments which have recently been made the subjects of resolutions in various chapters as well as in other related associations are the H. R. 7304 which it is thought would prevent real estate men from receiving legitimate commissions from property owners from selling or leasing property to the federal government; H. R. 7274, the Condemnation bill; certain rulings of OPA relative to rent control; and the discussed plan for making down payments on property purchases higher than they are under FHA.

### W. R. GRANVILLE

We announce with sorrow the death of W. R. Granville, vice president, First Security Trust Company, Salt Lake City. Mr. Granville's firm became members of MBA in 1926 and he took an active part in promoting the interests of the Association and mortgage banking. He was a valuable member and a man of high character and great ability. His passing will be keenly felt by all who knew him. To his family and associates go our deepest sympathy.

